

 Early Warning System

IFC-37922

CCI Pakistan



Quick Facts

Countries	Pakistan
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-09-01
Borrower	COCA COLA BEVERAGES PAKISTAN LIMITED
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	\$ 83.25 million



Project Description

PROJECT DESCRIPTION

Proposed IFC investment is a long-term senior unsecured A Loan up to EUR 75 million equivalent to Coca-Cola Beverages Pakistan Limited ("CCBPL", or "the Company"). CCBPL is owned as a Joint Venture between Coca-Cola Icecek A.S. ("CCI", or the "Sponsor") of Turkey, and The Coca-Cola Company ("TCCC") of the U.S. CCI is TCCC's fifth largest anchor bottler globally, and fully consolidates the CCBPL business due to its operational control of CCBPL. The proposed loan will contribute towards CCBPL's funding need for the following initiatives: (i) capital expenditure investment program; (ii) working capital need; (iii) upcoming maturities of the loans; and (iv) other general corporate purposes (the "Project"). Headquartered in Lahore, Pakistan, the Company produces and distributes carbonated soft drinks (CSD), fruit juices, and bottled water.

OVERVIEW OF IFC'S SCOPE OF REVIEW

IFC's due diligence consisted of appraising technical, environmental, and social information submitted by the sponsors. IFC's environmental & social (E&S) appraisal included a visit to the Company's HQ in Lahore (Pakistan) on April 18-19, 2016 along with a site visit to one of the plants located in the outskirts of Lahore. In addition, IFC visited the sponsor's Corlu Plant in Turkey on April 19. E&S appraisal included the following: Meetings with key Coca-Cola Beverages Pakistan Limited (CCBPL) staff including key staff of the HR (Human Resources), EHS (Environmental Health and Safety) teams, Logistic/Distributions/Procurement teams, Territory Operational Finance Manager, and meetings with Coca-Cola Icecek-Istanbul (CCI) Corlu Plant operations manager and; Review of technical documents provided by CCBPL, including (i) post 1997 Environment Protection Act Environmental Impact Assessment (EIA) or Initial Environment Examination and No Objection Certificates for all the industrial activities, Certifications (ISO 14001, OHSAS 18001, FSSC/ISO 22000 and ISO 9001, HACCP, Societe Generale de Surveillance (SGS) Management System Certification, (ii) various EHS data (sustainability report, audit outcome reports, stack emission control report at Lahore Plant, wastewater quality measurement reports at Karachi plant, WUR (water usage ratio) plan for 2015, energy and water efficiency projects list for Lahore plant, E&S Audit Summary Report Lahore Plant May 2015, risk assessment process and procedures for Pakistan operations, details of distributors training in use of PPE, Training Program for 2016-2017, Incident and accidents reporting and investigation, Pre-work assessment, Fire Prevention Instructions, management review meeting minutes, (iii) HR related policies and procedures, Charter of Demand/Collective Bargaining Agreement July 2015, a sample agreement with a distributor, Contract Management (Instructions for Contractors, SOPs for contractors and visitors management, contractor performance evaluation Form, incident and accident reporting format, club distribution criteria), (iv) Legal Due Diligence of land purchased by CCBPL for a plant at Haripur in 2014, (v) Suppliers Guiding Principles (SGP), Active Suppliers SGP Compliance Audit Summary 2016, (vi) GMP (Good Manufacturing Practices).

IDENTIFIED APPLICABLE PERFORMANCE STANDARDS**

While all Performance Standards are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards. PS 1 - Assessment and Management of Environmental and Social Risks and Impacts PS 2 - Labor and working conditions PS 3 - Resource Efficiency and Pollution Prevention PS 4 - Community Health, Safety and Security If IFC's investment proceeds, IFC will periodically review the the project's ongoing compliance with the Performance Standards



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Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>